

NEWSLETTER

New Luxembourg Corporate Law: Deferred Payment of S.à r.l. Minimum Share Capital **Greater Flexibility for S.à r.l. Incorporations from June 2026**

Luxembourg Introduces Deferred Payment of the Minimum Share Capital for Private Limited Liability Companies.

New flexibility for company incorporations as from 2 June 2026

A new Luxembourg law, adopted on 18 May 2026 and effective as from **2 June 2026**, introduces a significant simplification for the incorporation of private limited liability companies (*sociétés à responsabilité limitée* – “**S.à r.l.**”).

Until now, the minimum share capital of an S.à r.l. had to be fully paid up at the time of incorporation. The new legislation allows founders to defer the payment of the statutory minimum share capital under certain conditions.

What changes?

The reform introduces an exception to the long-standing principle of immediate capital payment. While the minimum share capital of an S.à r.l. remains unchanged at **EUR 12,000**, shareholders may now defer the payment of all or part of this amount for up to **12 months after incorporation**, unless a shorter period is provided for in the articles of association.

The share capital must still be fully subscribed upon incorporation; however, its payment may be postponed in accordance with the provisions set out in the company's constitutional documents.

Key conditions and limitations

The deferred payment regime applies only to the statutory minimum capital and is subject to several important restrictions:

- Any amount exceeding the minimum required share capital must be fully paid at incorporation.
- Contributions in kind must continue to be fully contributed at the time of incorporation.
- Any share premium must be fully paid upon incorporation.
- Shares issued after incorporation must be fully paid up at the time of issuance.

The reform also introduces additional transparency and shareholder accountability measures:

- Companies must disclose in their annual accounts the identity of shareholders who have not yet fully paid their shares, together with the outstanding amounts due.
- Shareholders remain liable for the unpaid portion of their subscribed shares, notwithstanding any contrary provision.
- Voting rights attached to shares for which due payments have not been made may be suspended until the outstanding contributions have been paid following a valid call by management.
- In the event of a transfer of shares, specific rules apply regarding the release of the transferor and the continuing liability of subsequent holders.

Practical implications

The reform is intended to facilitate and accelerate the incorporation process, particularly in situations where opening a bank account or completing banking KYC procedures may delay the availability of funds prior to incorporation.

By reducing the immediate funding requirement, Luxembourg aims to offer greater flexibility to entrepreneurs, investors and start-up founders while maintaining the existing minimum capital protection framework.

Conclusion

The new regime does not reduce the minimum share capital requirement for an S.à r.l. Rather, it changes the timing of the payment obligation by allowing founders additional flexibility during the first year following incorporation.

Businesses considering the incorporation of an S.à r.l. should assess whether the deferred payment mechanism may be beneficial for their specific circumstances and ensure that the relevant provisions are appropriately reflected in the incorporation documentation.

If you are considering the incorporation of a Luxembourg S.à r.l. and would like to explore whether the new deferred payment regime is suitable for your project, please feel free to contact us. Our team remains at your disposal for any further information.